

05 NOV 14 AM 11:31

**LINCOLN PARISH SHERIFF
Ruston, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2005
With Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11-16-05

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended June 30, 2005
With Supplemental Information Schedules

C O N T E N T S

		<u>Page No.</u>
Independent Auditor's Report		3
Required Supplemental Information (Part I)		
Management's Discussion and Analysis		6
Basic Financial Statements		
	<u>Statement</u>	<u>Page No.</u>
Government-Wide Financial Statements:		
Statement of Net Assets	A	12
Statement of Activities	B	13
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	14
Reconciliation of the Governmental Funds Balance Sheet to The Financial Statement of Net Assets	D	15
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	16
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities	F	18
Fiduciary - Agency Funds:		
Statement of Fiduciary Net Assets	G	19
Notes to the Financial Statements		20

C O N T E N T S (CONTD.)

	<u>Schedule</u>	<u>Page No.</u>
Required Supplemental Information (Part II):		
Budget Comparison Schedules - General Fund	1	33
Note to Budgetary Comparison Schedule		34
Other Supplemental Schedules (Part III):		
Fiduciary Fund Type - Agency Funds:		
Combining Schedule of Changes in Unsettled Deposits	2	35
Independent Auditor's Report Required by <i>Government Auditing Standards</i> (Part IV):		
Report on Compliance and Internal Control over Financial Reporting		41
Schedule of Findings and Questioned Costs	3	43
Summary Schedule of Prior Audit Findings	4	44

Independent Auditor's Report

HONORABLE MIKE STONE
LINCOLN PARISH SHERIFF
Ruston, Louisiana

I have audited the basic financial statements of the Lincoln Parish Sheriff, a component unit of the Lincoln Parish Police Jury, as of June 30, 2005, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Lincoln Parish Sheriff's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Lincoln Parish Sheriff as of June 30, 2005, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

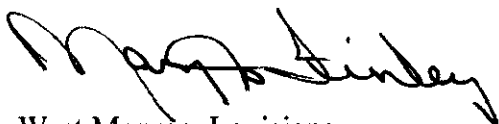
As described in Note 1 to the financial statements, the sheriff has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as of June 30, 2005.

Management's discussion and analysis, and supplementary information on pages 6 through 10 and 33 through 34, respectively are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information and reviewing the source of selected information. However, I did not audit the information and express no opinion on it.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Independent Auditor's Report,
June 30, 2005

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Lincoln Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated October 6, 2005, on the Lincoln Parish Sheriff's compliance with laws, regulations, contracts, and grants, and my consideration of the agency's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in black ink, appearing to read 'M. J. Finley', is written over the printed name.

West Monroe, Louisiana
October 6, 2005

REQUIRED SUPPLEMENTARY INFORMATION
PART I

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Management's Discussion and Analysis
June 30, 2005

As management of the Lincoln Parish Sheriff, I offer readers of the Lincoln Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Lincoln Parish Sheriff for the fiscal year ended June 30, 2005. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Sheriff's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Lincoln Parish Sheriff's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Lincoln Parish Sheriff's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Lincoln Parish Sheriff is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Lincoln Parish Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related

legal requirements. All of the funds of the Lincoln Parish Sheriff can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Lincoln Parish Sheriff adopts an annual appropriated budget for the general fund and the special revenue fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Lincoln Parish Sheriff's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information in addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Lincoln Parish Sheriff's performance.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Lincoln Parish Sheriff exceeded liabilities by \$2,613,083. Approximately 8% of the Lincoln Parish Sheriff's net assets reflects its investment in capital assets (e.g., equipment). These assets are not available for future spending.

An additional portion of the Lincoln Parish Sheriff's net assets represents resources that are subject to external restrictions (e.g., debt service). The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the Lincoln Parish Sheriff to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET ASSETS

	2004	2005
ASSETS		
Cash and cash equivalents	\$1,436,369	\$1,808,243
Investments	1,057,240	645,493
Receivables	117,484	123,239
Due from others	123	
Capital assets (net of accumulated depreciation)	283,197	226,384
TOTAL ASSETS	\$2,894,413	\$2,803,359
LIABILITIES		
Accounts payable	\$9,938	\$34,298
Salaries payable	70,780	66,784
Deferred revenue - protest taxes	87,278	87,728
Unrealized gain on investments		1,466
TOTAL LIABILITIES	167,996	190,276
NET ASSETS		
Invested in capital assets	283,197	226,384
Unrestricted	2,443,220	2,386,699
TOTAL NET ASSETS	\$2,726,417	\$2,613,083

STATEMENT OF ACTIVITIES

	2004	2005
Public safety:		
Personal services and related benefits	\$2,660,583	\$2,966,285
Operating services	293,131	308,247
Materials and supplies	204,933	223,884
Travel and other charges	35,884	66,583
Intergovernmental	59,575	71,598
Depreciation expense	976,508	132,126
Total Program Expenses	4,230,614	3,768,723
Program revenues:		
Commissions on licenses and taxes	198,331	209,726
Civil and criminal fees	267,652	299,313
Court attendance	4,075	8,937
Transportation of prisoners	11,091	25,757
Bond forfeiture	42,468	27,503
Total program revenues	523,617	571,236
Net Program Expenses	(3,706,997)	(3,197,487)
General revenues:		
Taxes - ad valorem	2,225,396	2,447,152
Grants and contributions not restricted to specific programs:		
Federal sources	7,606	77,634

State sources	\$405,510	\$433,238
Local sources	9,000	9,000
Interest earned	10,649	34,906
Miscellaneous	6,226	80,101
Special item - gain on disposal of assets		9,414
Change in Net Assets	(1,042,610)	(106,042)
Net Assets - Beginning of year	<u>3,769,027</u>	<u>2,719,125</u>
Net Assets - End of year	<u>\$2,726,417</u>	<u>\$2,613,083</u>

Financial Analysis of the Government's Funds

As noted earlier, the Lincoln Parish Sheriff uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2005, combined unreserved, undesignated governmental fund balances of \$2,386,699 showed a decrease of \$56,520 over June 30, 2004. The General Fund's portion of the unreserved, undesignated fund balance of \$2,372,349 shows a decrease (of approximately \$49,905) from the prior year amount.

General Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget were due primarily to increases in fees, charges and commissions, use of money, and other revenues. The primary difference in expenditures of the original budget and the final budget was an increase in personal services and related benefits and a decrease in operating services.

Capital Asset and Debt Administration

Capital assets. The Lincoln Parish Sheriff's investment in capital assets for its governmental activities as of June 30, 2005, amounts to \$226,384 (net of accumulated depreciation). This investment includes furniture and equipment. The increase in capital assets for the year was \$109,428. The decrease in assets for the year was \$148,284.

The beginning balance in capital assets was adjusted for an increase in the capitalization threshold established by the sheriff at the beginning of the fiscal year. The sheriff anticipates that the new capitalization threshold will provide better management and accountability for capital assets.

Long-term debt. At the end of the fiscal year, Lincoln Parish Sheriff had no long-term debt.

Requests for Information

This financial report is designed to provide a general overview of the Lincoln Parish Sheriff's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Lincoln Parish Sheriff, 100 West Texas Avenue, Ruston, LA 71270.

October 6, 2005

BASIC FINANCIAL STATEMENTS

LINCOLN PARISH SHERIFF
Ruston, LouisianaSTATEMENT OF NET ASSETS
June 30, 2005**ASSETS**

Cash and cash equivalents	\$1,808,243
Investments	645,493
Receivables	123,239
Capital assets (net of accumulated depreciation)	<u>226,384</u>
TOTAL ASSETS	<u>2,803,359</u>

LIABILITIES

Accounts payables	34,298
Salaries payable	66,784
Deferred revenue - protest taxes	87,728
Unrealized gain on investments	<u>1,466</u>
TOTAL LIABILITIES	<u>190,276</u>

NET ASSETS

Invested in capital assets	226,384
Unrestricted	<u>2,386,699</u>
TOTAL NET ASSETS	<u>2,613,083</u>

The accompanying notes are an integral part of this statement.

Statement B**LINCOLN PARISH SHERIFF
Ruston, Louisiana****STATEMENT OF ACTIVITIES
June 30, 2005**

Public Safety:	
Personal services and related benefits	\$2,966,285
Operating services	308,247
Materials and supplies	223,884
Travel and other charges	66,583
Intergovernmental	71,598
Depreciation expense	132,126
Total Program Expenses	<u>3,768,723</u>
Program revenues:	
Commissions on licenses and taxes	209,726
Civil and criminal fees	299,313
Court attendance	8,937
Transportation of prisoners	25,757
Operating grant	
Bond Forfeiture	27,503
Total program revenues	<u>571,236</u>
Net Program Expenses	<u>(3,197,487)</u>
General revenues:	
Taxes - ad valorem	2,447,152
Grants and contributions not restricted to specific programs:	
Federal sources	77,634
State sources	433,238
Local sources	9,000
Interest earned	34,906
Miscellaneous	80,101
Special item - Gain on disposal of assets	9,414
Change in Net Assets	(106,042)
NET ASSETS	
Beginning of year	<u>2,719,125</u>
End of year	<u><u>\$2,613,083</u></u>

The accompanying notes are an integral part of this statement.

Statement C

**LINCOLN PARISH SHERIFF
Ruston, Louisiana
GOVERNMENTAL FUNDS**

Balance Sheet, June 30, 2005

	GENERAL FUND	OTHER GOVERNMENTAL FUND DRUG TASK FORCE	TOTAL (MEMORANDUM) ONLY
ASSETS			
Cash and cash equivalents	\$1,796,558	\$11,685	\$1,808,243
Investments	645,493		645,493
Receivables	112,408	10,831	123,239
TOTAL ASSETS	\$2,554,459	\$22,516	\$2,576,975
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$26,132	\$8,166	\$34,298
Salaries/withholdings payable	66,784		66,784
Deferred revenues-protested taxes	87,728		87,728
Unrealized gain on investments	1,466		1,466
Total Liabilities	182,110	8,166	190,276
Fund Equity:			
Fund balance - unreserved - undesignated	2,372,349	\$14,350	2,386,699
Total Fund Equity	2,372,349	14,350	2,386,699
TOTAL LIABILITIES AND FUND EQUITY	\$2,554,459	\$22,516	\$2,576,975

The accompanying notes are an integral part of this statement.

Statement D**LINCOLN PARISH SHERIFF
Ruston, Louisiana****Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets****For the Year Ended June30, 2005**

Total Fund Balances at June 30, 2005 - Governmental Funds (Statement C)		<u>\$2,386,699</u>
Cost of capital assets at June 30, 2005	\$1,044,015	
Less: Accumulated depreciation as of June 30, 2005	<u>(817,631)</u>	<u>226,384</u>
Net Assets at June 30, 2005 (Statement A)		<u>\$2,613,083</u>

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance

For the Year Ended June 30, 2005

	GENERAL FUND	OTHER GOVERNMENTAL FUND DRUG TASK FORCE	TOTAL
REVENUES			
Taxes - ad valorem	\$2,447,152		\$2,447,152
Intergovernmental revenues:			
Federal grants	50,308	\$27,326	77,634
State grants:			
State revenue sharing (net)	149,934		149,934
State supplemental pay	109,542		109,542
DARE	106,160		106,160
Other	67,602		67,602
Local grants	9,000		9,000
Fees, charges, and commissions for services:			
Commissions on licenses and taxes	209,726		209,726
Civil and criminal fees	299,313		299,313
Court attendance	8,937		8,937
Transportation of prisoners	25,757		25,757
Bond forfeiture	27,503		27,503
Use of money and property	34,906		34,906
Other	31,214	48,887	80,101
Total revenues	<u>3,577,054</u>	<u>76,213</u>	<u>3,653,267</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services and related benefits	2,957,389	8,896	2,966,285
Operating services	305,086	3,161	308,247
Materials and supplies	195,147	28,737	223,884
Travel and other charges	31,049	35,534	66,583
Capital outlay	102,928	6,500	109,428
Intergovernmental	71,598		71,598
Total expenditures	<u>3,663,197</u>	<u>82,828</u>	<u>3,746,025</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(86,143)	(6,615)	(92,758)

(Continued)

Statement E

LINCOLN PARISH SHERIFF
Ruston, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND
Statement of Revenues, Expenditures, and
Changes in Fund Balance

	GENERAL FUND	OTHER GOVERNMENTAL FUND DRUG TASK FORCE	TOTAL
OTHER FINANCING USES:			
Proceeds from Sale of Assets	\$6,200		\$6,200
Proceeds from Insurance	<u>30,038</u>		<u>30,038</u>
Total Other Financing Uses	36,238	NONE	36,238
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES AND OTHER USES	(49,905)	(\$6,615)	(56,520)
FUND BALANCE AT BEGINNING OF YEAR	<u>2,422,254</u>	<u>20,965</u>	<u>2,443,219</u>
FUND BALANCE AT END OF YEAR	<u><u>\$2,372,349</u></u>	<u><u>\$14,350</u></u>	<u><u>\$2,386,699</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, LouisianaReconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2005

Total net change in fund balances - governmental funds (Statement E)	(\$56,520)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds do not report gain or loss on disposition of assets. In the Statement of Activities, gain on disposition of assets increased when the asset was disposed.	(26,824)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the period.	<u>(22,698)</u>
Change in net assets of governmental activities (Statement B)	<u>(\$106,042)</u>

The accompanying notes are an integral part of this statement.

Statement G

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2005

	<u>TAX COLLECTOR FUND</u>	<u>CIVIL FUND</u>	<u>CRIMINAL FUND</u>	<u>TOTAL</u>
ASSETS				
Cash and equivalents	<u>\$3,489,754</u>	<u>\$27,361</u>	<u>\$134,700</u>	<u>\$3,651,815</u>
LIABILITIES				
Unsettled deposits due to others	<u>\$3,489,754</u>	<u>\$27,361</u>	<u>\$134,700</u>	<u>\$3,651,815</u>

The accompanying notes are an integral part of this statement.

LINCOLN PARISH SHERIFF
Ruston, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff also administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera. As the ex-officio tax collector of the parish, the sheriff is responsible for the collection and distribution of ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The sheriff has the responsibility for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. Additionally, the sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

The accompanying financial statements of the Lincoln Parish Sheriff have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. Certain of the significant changes in the Statement include the following:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Sheriff’s overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Sheriff’s activities.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Lincoln Parish Police Jury is the financial reporting entity for Lincoln Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Lincoln Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. *The ability of the police jury to impose its will on that organization and/or*
 - b. *The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.*
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains the sheriff's office and provides funds for various operations of the parish jail, the sheriff was determined to be a component unit of the Lincoln Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Lincoln Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The sheriff's basic financial statements include both government-wide (reporting the sheriff as a whole) and fund financial statements (reporting the sheriff's major fund). Both

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the sheriff are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the sheriff, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the sheriff's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

Allocation of Indirect Expenses - The sheriff reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the sheriff are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

Fund financial statements report detailed information about the sheriff. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The sheriff's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the sheriff are described as follows:

Governmental Fund Types

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the sheriff and is used to account for the operations of the sheriff's office. The various fees and charges due to the sheriff's office are accounted for in this fund. General operating expenditures are paid from this fund.

Special Revenue Fund - The Drug Task Force Special Revenue Fund consists of federal grants from the United States Department of Justice passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice, and local matching grants. The purpose of the fund is to increase the apprehension, prosecution, adjudication, detention, rehabilitation, eradication, and treatment of persons who violate state and local laws relating to the production, possession, and transfer of controlled substances.

Fiduciary Fund Type - Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from the funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the fiscal year.

Intergovernmental revenues and fees, charges, and commissions for services are recorded when the sheriff is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the sheriff.

Based on the above criteria, intergovernmental revenue and fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. CASH AND CASH EQUIVALENTS

Under state law, the sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2005, the sheriff has cash and cash equivalents (book balances) totaling \$5,460,058 as follows:

Demand deposits	\$3,442,457
Time Deposits	2,011,046
Petty cash	<u>6,555</u>
Total	<u>\$5,460,058</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Notes to the Financial Statements (Continued)

bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2005, are secured as follows:

Bank balances	<u>\$5,698,185</u>
Federal deposit insurance	\$3,498,683
Pledged securities	<u>6,600,996</u>
Total	<u>\$10,099,679</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the sheriff, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the sheriff's name.

F. INVESTMENTS

Under state law, the sheriff may invest funds in obligations of the United States, in federally insured investments, investment grade (A-1/P-1) commercial paper of domestic corporations or in time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. Investments are grouped into three categories of credit risk:

1. Insured or registered, or for which the securities held by the sheriff or its agent in the sheriff's name.
2. Uninsured and unregistered, with securities held by the bank's trust department or agent in the sheriff's name.
3. Uninsured and unregistered, with securities held by the bank, or by its trust department or agent but not in the sheriff's name.

At year-end, the sheriff's investment balances are in United State government securities totaling \$645,493, which is also fair market value. There is an unrealized gain of \$1,466.

G. LEVIED TAXES

As provided by Louisiana Revised Statute 33:9001, a law enforcement district has been created for the purpose of providing financing to the office of the sheriff of Lincoln Parish.

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

Louisiana Revised Statute 33:9003 requires the district to levy a tax on the assessed valuation of all property appearing on the 1977 and subsequent tax rolls in an amount that would produce for the district in the initial year the same revenue as that estimated to be produced by the sheriff's commission on ad valorem taxes for the fiscal year 1976-77. For the 2004 tax roll, the district levied 12.85 mills.

Louisiana Revised Statute 33:9003 also provides for the district to impose an additional millage when approved by a majority of the voters in the district. On July 18, 1992, an ad valorem tax of 8.50 mills was passed by a majority of the district voters. The additional millage, which expired with the 2001 tax roll, was renewed by voters for ten years beginning with the 2002 tax roll.

H. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the sheriff, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

I. VACATION AND SICK LEAVE

After one year of service, all employees are granted 10 days of vacation leave each year. After 10 years of cumulative full time employment, one additional day of vacation per year shall be granted until the number of vacation days reaches the maximum of 15 days. Employees will be allowed 10 days of sick leave each year. Any unused vacation is converted to sick time. Sick time is accrued with no limit. At termination or retirement, sick time is forfeited.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Notes to the Financial Statements (Continued)

J. RISK MANAGEMENT

The sheriff is exposed to various risk of loss related to law enforcement liability; torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle risk of loss, the sheriff maintains commercial insurance covering; automobile liability; general liability; commercial crime; law enforcement; public officials liability; and worker's compensation and employer's liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

2. RECEIVABLES

The receivables of \$123,239 at June 30, 2005, are as follows:

Ad valorem tax	\$46,249
Intergovernmental - federal and state grants	46,407
Fees, charges & commissions	25,244
Court attendance	646
Other	<u>4,693</u>
Total	<u>\$123,239</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment for the year ended June 30, 2005, follows:

Adjusted balance at June 30, 2004	\$1,082,871
Additions	109,428
Deletions	<u>(148,284)</u>
Balance at June 30, 2005	1,044,015
Less accumulated depreciation	<u>(817,631)</u>
Net Capital Assets	<u>\$226,384</u>

Beginning balance has been adjusted due to sheriff changing his capitalization policy.

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

4. PENSION PLAN

Substantially all employees of the Lincoln Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All sheriffs and all deputies who are 18 years or older at the time of original employment, who earn not less than \$400 per month if employed after September 4, 1979 and before January 1, 1991; \$550 if employed between January 1, 1991 and December 31, 1999; and \$800 if employed after January 1, 2000 are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to 3.33 percent of their final-average salary for each year of credited service. The retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, 6554 Florida Blvd., Suite 215, Baton Rouge, Louisiana 70806, or by calling (800) 586-9049.

Plan members are required by state statute to contribute 9.8 percent of their annual covered salary and the Lincoln Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 9.75 percent of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the Lincoln Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Lincoln Parish Sheriff's contributions to the System for the years ended June 30, 2005, 2004, and 2003 were \$227,088, \$191,762, and \$140,301, respectively, equal to the required contributions for each year.

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Notes to the Financial Statements (Continued)

5. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Lincoln Parish Sheriff provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the sheriff's employees become eligible for these benefits if they reach normal retirement age while working for the sheriff. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the sheriff. The sheriff recognizes the cost of providing these benefits (sheriff's portion of premiums) as an expenditure when paid during the year, which was \$431,822 for the year ended June 30, 2005. Of that amount, \$31,954 was for retiree benefits.

6. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others for the year ended June 30, 2005, follows:

	Tax Collector Fund	Civil Fund	Criminal Fund	Total
Balance at June 30, 2004	\$2,273,581	\$31,761	\$112,047	\$2,417,389
Additions	22,249,918	1,353,463	1,112,446	24,715,827
Reductions	(21,033,745)	(1,357,863)	(1,089,793)	(23,481,401)
Balance at June 30, 2005	<u>\$3,489,754</u>	<u>\$27,361</u>	<u>\$134,700</u>	<u>\$3,651,815</u>

7. LITIGATION AND CLAIMS

At June 30, 2005, the Lincoln Parish Sheriff is involved in several lawsuits which are fully covered by the sheriff's liability insurance.

8. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH POLICE JURY

The Lincoln Parish Sheriff's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Lincoln Parish Police Jury.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
Notes to the Financial Statements (Continued)

9. FEDERAL FINANCIAL ASSISTANCE

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS THROUGH GRANTORS NUMBER	EXPENDITURES FOR THE YEAR ENDED June 30,2005
UNITED STATES DEPARTMENT OF JUSTICE			
Passed through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Criminal Patrols	16.579	B03-1-017	\$3,604
Criminal Patrols	16.579	PT 05-28-00	4,310
Bulletproof Vest Partnership Grant Act	16.607	N/A	3,791
Multi-Jurisdictional Task Force	16.579	B04-1-016	27,326
Local Law Enforcement Block Grant	16.592	2004-LB-BX-1372	3,000
Total United States Department of Justice			<u>42,031</u>
United States Department of Homeland Security			
State Domestic Preparedness Equipment Support Program	97.004	N/A	<u>35,603</u>
Total Federal Financial Assistance			<u><u>\$77,634</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

PART II

LINCOLN PARISH SHERIFF
Ruston, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended June 30, 2005

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes - ad valorem	\$2,370,000	\$2,285,000	\$2,447,152	\$162,152
Intergovernmental revenues:				
Federal grants		12,500	50,308	37,808
State grants:				
State revenue sharing (net)	153,000	149,900	149,934	34
State supplemental pay	115,200	109,000	109,542	542
DARE	50,000	106,160	106,160	
Other	80,000	66,000	67,602	1,602
Local grants	9,000		9,000	9,000
Fees, charges, and commissions for services:				
Commissions on licenses and taxes	185,000	209,200	209,726	526
Civil and criminal fees	189,000	294,500	299,313	4,813
Court attendance	6,000	7,000	8,937	1,937
Transportation of prisoners	4,500	9,500	25,757	16,257
Bond forfeitures	17,000	28,000	27,503	(497)
Use of money and property	11,500	35,400	34,906	(494)
Other revenue	66,000	143,750	31,214	(112,536)
Total revenues	<u>3,256,200</u>	<u>3,455,910</u>	<u>3,577,054</u>	<u>121,144</u>
EXPENDITURES				
Public safety:				
Current:				
Personal services and benefits	2,780,798	2,968,757	2,957,389	11,368
Operating services	404,700	309,970	305,086	4,884
Materials and supplies	183,000	192,500	195,147	(2,647)
Travel and other charges	30,659	30,000	31,049	(1,049)
Capital outlay	38,000	11,355	102,928	(91,573)
Intergovernmental	67,800	72,625	71,598	1,027
Total expenditures	<u>3,504,957</u>	<u>3,585,207</u>	<u>3,663,197</u>	<u>(77,990)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(248,757)</u>	<u>(129,297)</u>	<u>(86,143)</u>	<u>43,154</u>
OTHER FINANCING USES				
Proceeds from sale of assets			6,200	6,200
Proceeds from insurance			30,038	30,038
Total financing source (Use)	<u>NONE</u>	<u>NONE</u>	<u>36,238</u>	<u>36,238</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES AND OTHER USE	<u>(248,757)</u>	<u>(129,297)</u>	<u>(49,905)</u>	<u>79,392</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>2,300,000</u>	<u>2,352,209</u>	<u>2,422,254</u>	<u>70,045</u>
FUND BALANCES AT END OF YEAR	<u>\$2,051,243</u>	<u>\$2,222,912</u>	<u>\$2,372,349</u>	<u>\$113,199</u>

LINCOLN PARISH SHERIFF
Ruston, Louisiana

NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2005

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Lincoln Parish Sheriff's office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

OTHER SUPPLEMENTARY INFORMATION

PART III

LINCOLN PARISH SHERIFF
Ruston, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2005

FIDUCIARY FUND TYPE - AGENCY FUNDS

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the sheriff will serve as the collector of state and parish taxes, occupational licenses, and fees. The Tax Collector Fund is used to collect and distribute these taxes, licenses, and fees to the appropriate taxing bodies.

CIVIL FUND

The Civil Fund accounts for the collection of funds in civil suits, sheriff's sales, and garnishments and payment of these collections to the sheriff's General Fund and other recipients in accordance with applicable laws.

CRIMINAL FUND

The Criminal Fund accounts for bonds, fines and costs, and payment of these collections to recipients in accordance with applicable laws.

LINCOLN PARISH SHERIFF
Ruston, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Unsettled
Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 2005

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, JUNE 30, 2004	<u>\$2,273,581</u>	<u>\$31,761</u>	<u>\$112,047</u>	<u>\$2,417,389</u>
ADDITIONS				
Deposits:				
Sheriff's sales		\$1,117,381		\$1,117,381
Fines, bond forfeitures, and costs			\$1,109,975	1,109,975
Garnishments		106,533		106,533
Other deposits		129,549	2,471	132,020
Taxes, fees, etc. paid to tax collector:				
Ad valorem taxes	\$19,609,547			19,609,547
Prior year taxes	62,416			62,416
Protest taxes	1,343,655			1,343,655
Fire district fees	1,762			1,762
Prior year fire district fees	864			864
State revenue sharing	838,438			838,438
Insurance licenses	78,112			78,112
Interest on:				
Now account	8,580			8,580
Delinquent taxes	37,427			37,427
Fire district fees	10			10
Protested taxes held in escrow	30,567			30,567
Prior year taxes	19,715			19,715
Tax notices, etc.	90,383			90,383
Redemptions	66,046			66,046
Collection for others	62,396			62,396
Total additions	<u>22,249,918</u>	<u>1,353,463</u>	<u>1,112,446</u>	<u>24,715,827</u>
Total	<u>24,523,499</u>	<u>1,385,224</u>	<u>1,224,493</u>	<u>27,133,216</u>

(Continued)

LINCOLN PARISH SHERIFF
Ruston, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS
Combining Schedule of Changes in Unsettled
Balances Due to Taxing Bodies and Others, 2005

	TAX COLLECTOR FUND	CIVIL FUND	CRIMINAL FUND	TOTAL
REDUCTIONS				
Deposits, taxes, fees, etc. settled to:				
Louisiana Tax Commission	\$2,253			\$2,253
Louisiana Forestry Commission	18,060			18,060
Sheriff's General Fund	2,691,616	\$178,355	\$218,931	3,088,902
Other Sheriffs		1,842		1,842
Police jury	4,216,966		305,051	4,522,017
School board	10,201,960			10,201,960
Assessor	481,522			481,522
State agencies			31,155	31,155
Municipalities			5,170	5,170
Law enforcement agencies			7,877	7,877
District Attorney			136,852	136,852
Clerk of Court	4,732	24,068	38,476	67,276
Indigent defender board			130,883	130,883
City of Ruston	967,706			967,706
Coroner			3,804	3,804
Litigants		915,155		915,155
Attorneys, appraisers, etc.		22,533		22,533
Pension funds	547,751			547,751
Northwest Crime Lab			36,724	36,724
Judicial clerk			118,309	118,309
Fire Protection Service District No. 1	753,445			753,445
Victim's restitution			37,227	37,227
Other settlements		215,910	19,334	235,244
Redemptions	66,809			66,809
Refunds	1,080,925			1,080,925
Total reductions	<u>21,033,745</u>	<u>1,357,863</u>	<u>1,089,793</u>	<u>23,481,401</u>
UNSETTLED BALANCES DUE TO TAXING BODIES AND OTHERS, June 30, 2005	<u><u>\$3,489,754</u></u>	<u><u>\$27,361</u></u>	<u><u>\$134,700</u></u>	<u><u>\$3,651,815</u></u>

(Concluded)

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following Independent Auditor's Report on compliance with laws, regulations and contracts, and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**Independent Auditor's Report on Compliance and
Internal Control Over Financial Reporting**

LINCOLN PARISH SHERIFF
Ruston, Louisiana

I have audited the basic financial statements of the Lincoln Parish Sheriff, a component unit of the Lincoln Parish Police Jury, as of and for the year ended June 30, 2005 and have issued my report thereon dated October 6, 2005. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Lincoln Parish Sheriff's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Lincoln Parish Sheriff's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

LINCOLN PARISH SHERIFF

Ruston, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2005

This report is intended solely for the information and use of the Lincoln Parish Sheriff, management of the sheriff's office, interested state agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana

October 6, 2005

**LINCOLN PARISH SHERIFF
Ruston, Louisiana**

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Lincoln Parish Sheriff.
2. No instances of noncompliance material to the financial statements of the Lincoln Parish Sheriff were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**LINCOLN PARISH SHERIFF
Ruston, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2005**

There were no audit findings reported in the audit for the year ended June 30, 2004.